

GROWING GRESHAM'S ECONOMIC ADVANTAGE



MANUFACTURING • CLEAN TECHNOLOGY • PROFESSIONAL SERVICES

NEW REALITIES: LOOKING AHEAD SINCE THE GREAT RECESSION

*Vision: Gresham as
a Premier Economic
Engine and Key
Partner in Portland
Metropolitan
Regional growth*

Since the Council 2009 adoption of the Traded Sector Jobs Strategy, the recession has created a new normal. It is a rare company that was not impacted, and recovery is predicted to be slow and gradual. Most companies are cautious to make new investment and hire new employees. However, there are notable bright spots in Gresham as business leaders recalibrate and prepare for the future.

The Traded Sector Jobs Strategy targets efforts in three distinct traded sector categories: Manufacturing, Clean Technologies, and Professional Services.

INCLUDED IN THIS REPORT ARE:

Challenges & Trends by Targeted Sector

Success Stories

Updated demographic data about Gresham, the region and the State

AREAS OF FOCUS:

Manufacturing encompasses businesses that produce a physical product. These include food processing, semiconductors, building products, aerospace components, and transportation components.

Clean Technologies encompasses businesses that produce a physical product as well as companies that provide a service. Products include solar panels, wind turbine components, electric vehicles, charging stations, and green/sustainable building products. Services include installers, maintenance professionals, and finance professionals.

Professional Services encompasses businesses that provide services to others such as creative/design, software development, architecture/engineering, data centers, healthcare, and legal services.



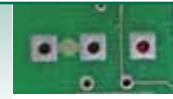
*Top: Frosting cakes at
Portland Specialty Baking.*

*Bottom left: Inspecting and
packing compact discs at
Allegro.*

*Bottom right: Trimming
paper at Spicer's Paper.*

GRESHAM'S CURRENT STRENGTHS WITHIN THE REGION

MANUFACTURING



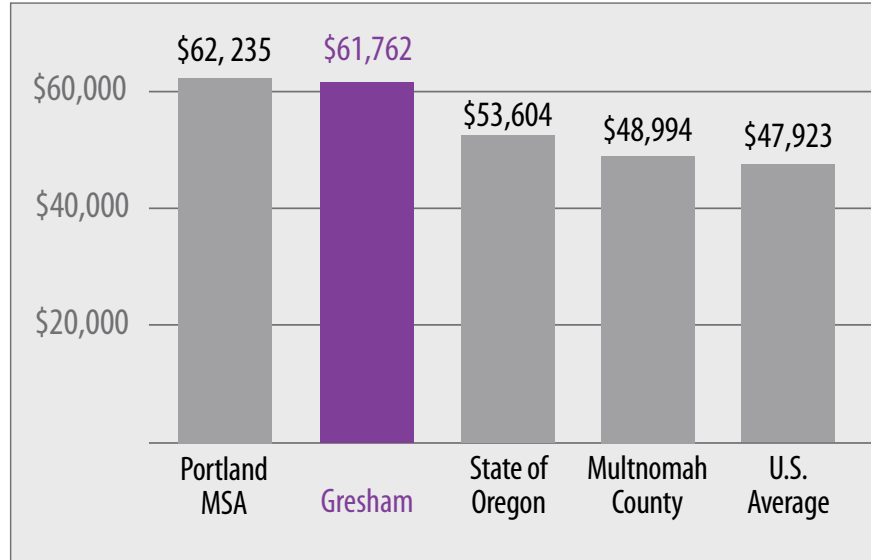
SUCCESSSES & CHALLENGES

Successes

- This sector is Gresham's traditional and ongoing strength
- Gresham's average manufacturing wages are higher than those in most of the region, in Multnomah County, the State of Oregon and the US National average
- Existing Gresham manufacturing companies are beginning to expand, including The Boeing Company, ON Semiconductor, Teeny Foods, Portland Specialty Baking, and John Deere

Challenges

- Maintaining patience for both the economy and the real estate market
- Keeping incentives geared towards manufacturing (state and local programs)
- Dwindling industrial lands and buildings in Gresham
- Redevelopment opportunities become more important



Portland MSA (Metropolitan Statistical Area) wages include Washington County technology companies wages.

Sources: QCEW 2009, Bureau of Labor Statistics CES data 2009

EFFECTIVE INCENTIVES FOR MANUFACTURING

Gresham uses two incentive programs to encourage and support manufacturing expansion and recruitment projects:

Enterprise Zone Program:

Property tax abatement program for new investment in Gresham
Recipients to date include: Boeing, RR Donnelley, Teeny Foods, ON Semiconductor, Portland Specialty Baking

New Industries Grant

Program: Reimbursement grant program within Urban Renewal boundary
Recipients to date include: Owens Corning, Seko, Oregon Crystal Technologies, John Deere, Sunmark Seeds, Rose City Printing, Cascade Controls, Allegro, Henningsen Cold Storage, Westech, Denton Plastics, Benson, MedCure



Fabricating insulation at the Owens Corning Gresham plant.

GRESHAM'S CURRENT STRENGTHS WITHIN THE REGION



CLEAN TECHNOLOGY

U.S. CLEAN ENERGY LEADERSHIP INDEX: OREGON

Overall:	#2
• Technology	#2
• Policy	#5
• Capital	#2

Source: Clean Edge

SUCCESSSES & CHALLENGES

Successes

- Gresham is building its clean technology sector with companies such as Oregon Crystal Technologies and Solar Nation
- A strong manufacturing base helps recruit clean technology manufacturing companies
- A skilled workforce in high tech/manufacturing
- Quickly evolving industry – new subsectors open doors for new opportunities such as electric vehicles, battery storage, integrated building systems, and smart grid technologies in addition to solar and wind

Challenges

- Changing solar markets and fierce global competition with cheaper products
- Keeping up with other states and countries incentives and market programs to be competitive
- Protecting industrial land inventory for key industrial projects

CLEAN TECHNOLOGY DEFINITIONS

Most activity to date has been related to the solar industry. This industry is rapidly changing to include other clean tech subsectors, such as those described below.

Smart Grid combines traditional power hardware with sensing and monitoring technology, information technology and communications to enhance electrical grid performance and support additional services to consumers.

Building-integrated photovoltaics (also known as BIPV) replace conventional building materials in areas such as a roof, skylights or facades to provide electrical power for a building.

Electric Vehicles (also known as EV) are cars, trains, airplanes, boats, motorcycles and scooters that are driven using one or more electric motors.

Green Building (also known as green construction or sustainable building) refers to a structure and/or its development process (from siting and design to construction, operation, maintenance, renovation and demolition) that is environmentally responsible and uses resources efficiently.

Wave Energy (also known as tidal energy, tidal power, wave power) are terms used to describe methods of creating energy from the movement of water due to the ocean tides, ocean waves, and currents in rivers.



Installing the solar array at Gresham's Wastewater Treatment Plant.

GRESHAM'S CURRENT STRENGTHS WITHIN THE REGION

PROFESSIONAL SERVICES



SUCSESSES & CHALLENGES

Successes

- Changes in industrial development code have opened opportunities for professional services in industrial buildings/land
- Regional strengths in professional services (software design, creative services, computer related services) provide opportunities for Gresham
- Growth in healthcare facilities

Challenges

- Limited office space in regional centers and industrial areas within Gresham

SUCCESS STORY: MEDCURE

MedCure is a medical education, research and services company. In addition to connecting medical donors to research and educational institutions, the Gresham facility will also host training and education events. MedCure's new Gresham headquarters facility will employ 35 employees. The new \$5 million dollar, 25,000 square foot facility will replace the company's current facility in Portland.



MedCure's facility under construction, summer 2011.

LEGACY MT. HOOD MEDICAL EXPANSION

During 2009-2011, Legacy Mount Hood Medical Center has been enhancing inpatient and outpatient services to serve the growing health care needs of our community. Some of those projects include:

- A capital improvement project worth \$2.5 million that added a new MRI Suite and a new outpatient service center in 2011
- A state-of-the-art Short Stay Unit, with 15 new rooms and 8,000 square feet in 2010
- A new emergency department adding over 14,000 square feet in 2009

Legacy Mount Hood Medical Center employs approximately 622 employees. Legacy Mount Hood provided health services (inpatient, emergency and outpatient services) to more than 87,300 people during fiscal year 2011.

GRESHAM INDUSTRY TRENDS 2005 - 2009

NUMBER OF BUSINESS ESTABLISHMENTS BY BROAD INDUSTRY

	2005	2006	2007	2008	2009
Natural Resources and Mining	9	10	11	10	9
Construction	263	261	249	264	233
Manufacturing	82	84	79	85	86
Trade, Transportation, and Utilities	414	418	422	434	424
Information	23	23	24	20	25
Financial Activities	270	293	283	265	259
Professional and Business Services	245	273	277	281	272
Education and Health Services	315	341	345	359	371
Leisure and Hospitality	231	225	236	224	226
Other Services	236	260	282	267	270
Government	44	44	45	45	45
TOTAL ALL INDUSTRIES	2132	2232	2253	2254	2220

2010 data will be incorporated into trended data in 2012.

Businesses with zero employment were not included in these counts.

Note: Data was reviewed and adjustments were made where applicable to eliminate variations caused by administrative changes such as central reporting, changes in NAICS code, incorrect addresses, etc. This was done in order to ensure the highest quality of year over year comparison. Despite offering reliable data for trend analysis at the broad industry levels, there may be variations not accounted for that should only affect trending at the more detailed levels.



Top: John Deere expands its Gresham facility.

Below left: Allegro's storage facilities for CD's and DVD's.

Bottom right: Fabricating windows at Pella Corporation.



GRESHAM INDUSTRY TRENDS 2005 - 2009

EMPLOYMENT BY BROAD INDUSTRY

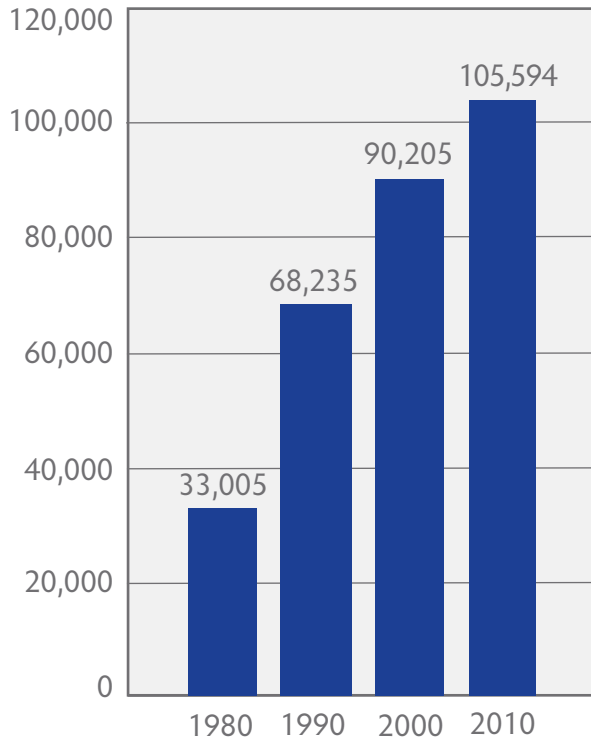
	2005	2006	2007	2008	2009
Natural Resources and Mining	154	154	162	148	128
Construction	1,415	1,585	1,609	1,598	1,227
Manufacturing	4,893	5,186	5,631	5,590	4,981
Trade, Transportation, and Utilities	6,123	6,149	6,059	6,261	5,806
Information	249	250	284	253	217
Financial Activities	2,865	2,846	2,751	2,739	2,746
Professional and Business Services	2,707	2,885	2,927	2,726	2,356
Education and Health Services	4,197	4,387	4,401	4,548	4,610
Leisure and Hospitality	3,891	3,873	3,966	3,784	3,565
Other Services	1,322	1,392	1,423	1,363	1,335
Government	4,944	4,848	4,890	4,982	5,031
TOTAL ALL INDUSTRIES	32,760	33,555	34,103	33,991	32,002

AVERAGE ANNUAL WAGES BY BROAD INDUSTRY

	2005	2006	2007	2008	2009
Natural Resources and Mining	\$28,895	\$31,811	\$31,543	\$29,346	\$28,086
Construction	\$38,049	\$39,282	\$40,984	\$43,326	\$43,330
Manufacturing	\$56,970	\$64,753	\$62,865	\$60,737	\$61,833
Trade, Transportation, and Utilities	\$33,982	\$34,475	\$34,825	\$36,229	\$35,845
Information	\$39,730	\$37,818	\$39,173	\$42,147	\$45,788
Financial Activities	\$37,041	\$39,374	\$40,464	\$41,663	\$41,603
Professional and Business Services	\$24,259	\$24,909	\$26,300	\$27,116	\$28,182
Education and Health Services	\$32,897	\$33,955	\$35,651	\$36,694	\$37,062
Leisure and Hospitality	\$14,191	\$14,528	\$14,915	\$15,075	\$15,642
Other Services	\$23,833	\$24,665	\$25,824	\$26,703	\$26,086
Government	\$37,916	\$40,123	\$41,084	\$42,892	\$43,657
TOTAL ALL INDUSTRIES	\$34,770	\$37,026	\$37,802	\$38,616	\$38,889

GRESHAM DEMOGRAPHICS

GRESHAM POPULATION



2010 PERCENTAGE OF GRESHAM POPULATION BY RACE/ETHNICITY:

White alone	80.77
Black/African American alone	3.5
American Indian/Alaskan Native alone	1.3
Asian alone	4.3
Native Hawaiian/Pacific Islander alone	0.7
Some other race alone	9.8
Two or more races	4.5
Hispanic or Latino all races	18.9

Based on 2005 - 2009 American Community Survey five-year estimates

HOUSING UNITS: 41,015

Occupied	38,704 (94.4%)
+ Owner Occupied:	20,320 (52.5%)
+ Renter Occupied:	18,384 (47.5%)
Vacant	2,311 (5.6)

DEMOGRAPHIC COMPARISONS



2010 MEDIAN AGE

- + 45.8 Lake Oswego
- + 36.8 Vancouver, WA
- + 35.8 Portland
- + 34.7 Beaverton
- + **33.6 Gresham**
- + 32.0 Hillsboro

2010 AVERAGE HOUSEHOLD SIZE

- + 2.71 Hillsboro
- + **2.69 Gresham**
- + 2.53 Vancouver, WA
- + 2.49 Tigard
- + 2.39 Beaverton
- + 2.29 Lake Oswego
- + 2.28 Portland

*2010 MEDIAN HOUSEHOLD INCOME

- + \$63,618 Hillsboro
- + \$54,885 Beaverton
- + \$47,307 Vancouver, WA
- + \$47,185 Portland
- + **\$47,164 Gresham**
- + \$42,898 Salem

** Figures estimated from the past 12 months and adjusted for inflation*



Sources: American Community Survey, US Census Bureau and Population Research Center, Portland State University

COMMUTER/LABOR SHED DATA

GRESHAM →

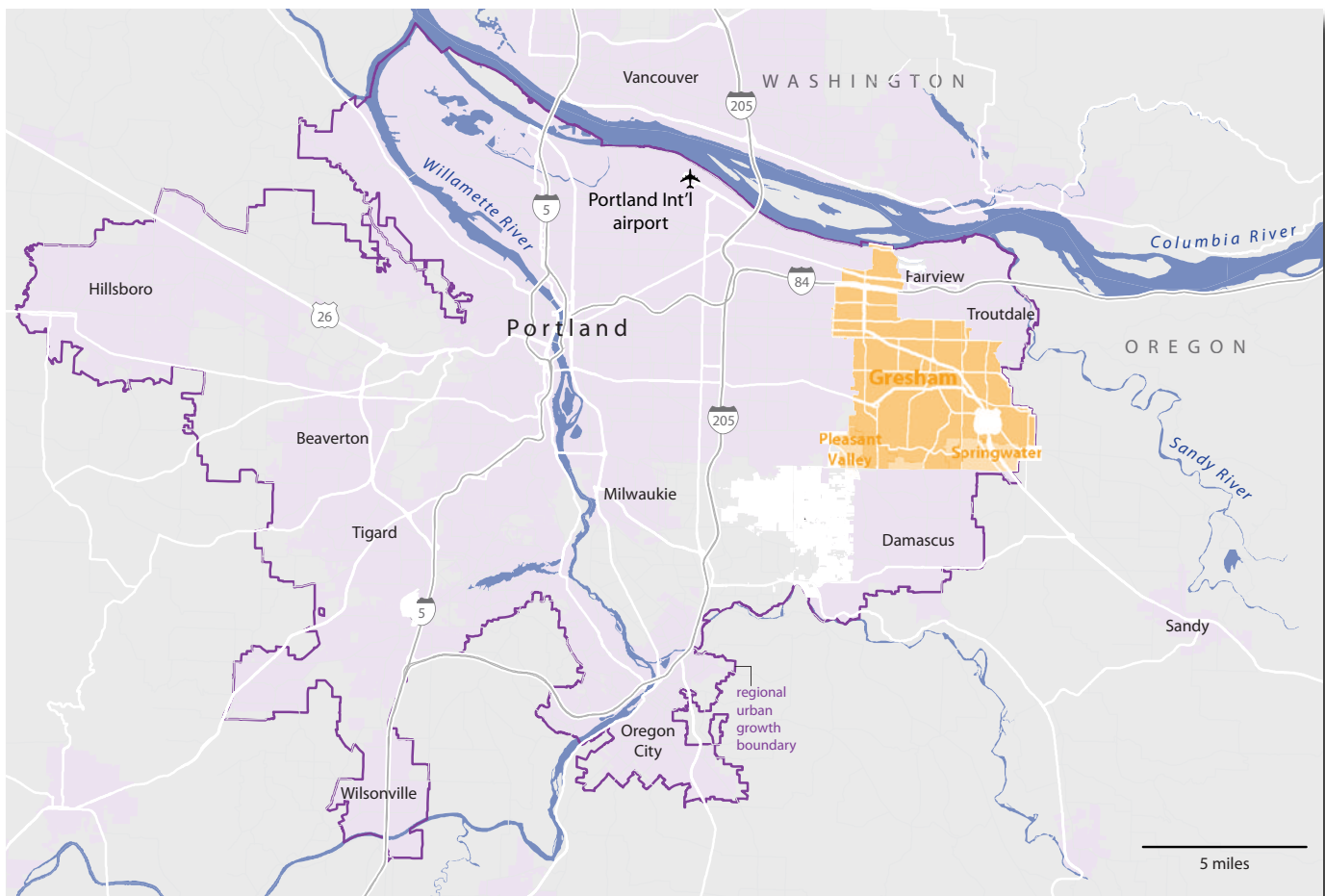
- † 82.3% of people who live in Gresham work outside of Gresham
- † 6,630 of Gresham's 37,481 working residents work in Gresham (17.7%)
- † 44.5% Commuting to Portland
- † 6.1% Commuting to Hillsboro, Beaverton and Tigard combined
- † 1.9% Commuting to Troutdale
- † 1.5% Commuting to Vancouver, WA



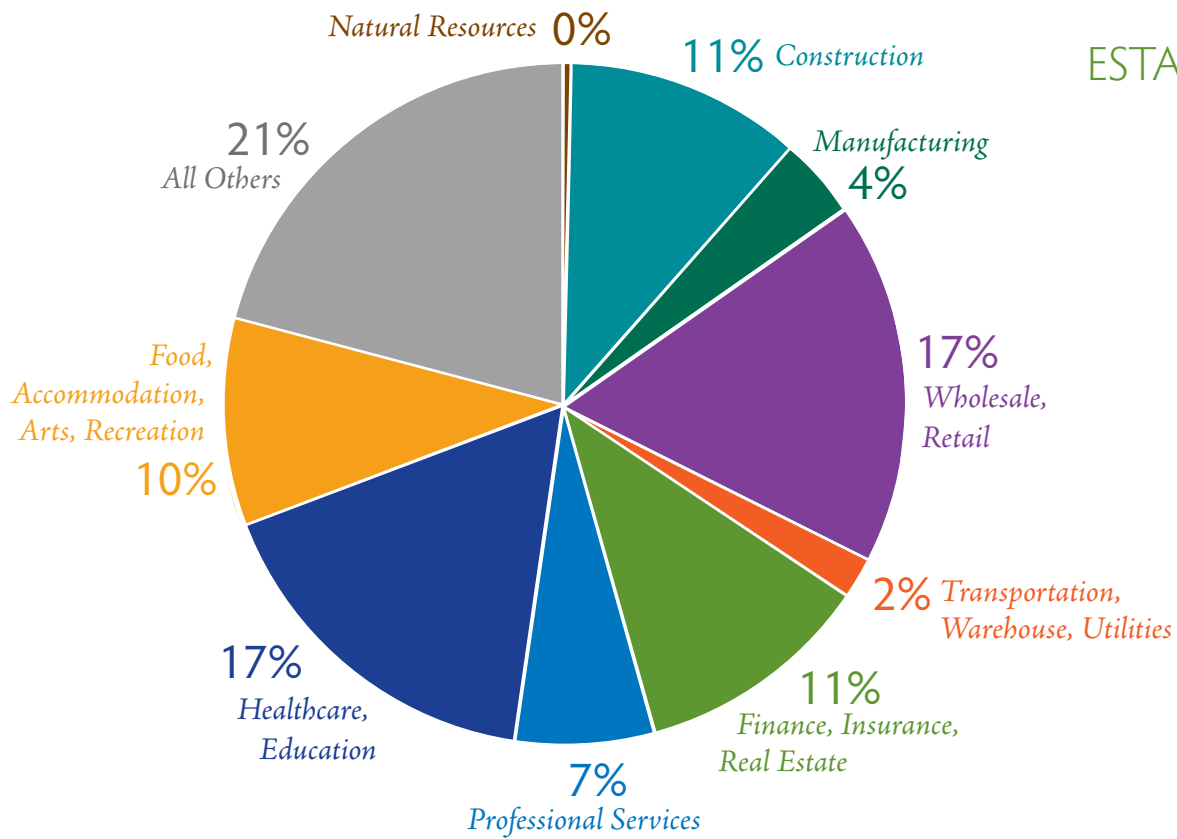
GRESHAM ←

- † 20.9% of people who work in Gresham live in Gresham
- † 25,162 of the 31,792 people working in Gresham commute from another city in the Portland region (79.1%)
- † 26% Commuting from Portland
- † 3.7% Commuting from Troutdale
- † 3.7% Commuting from Vancouver, WA
- † 2.7% Commuting from Hillsboro and Beaverton combined

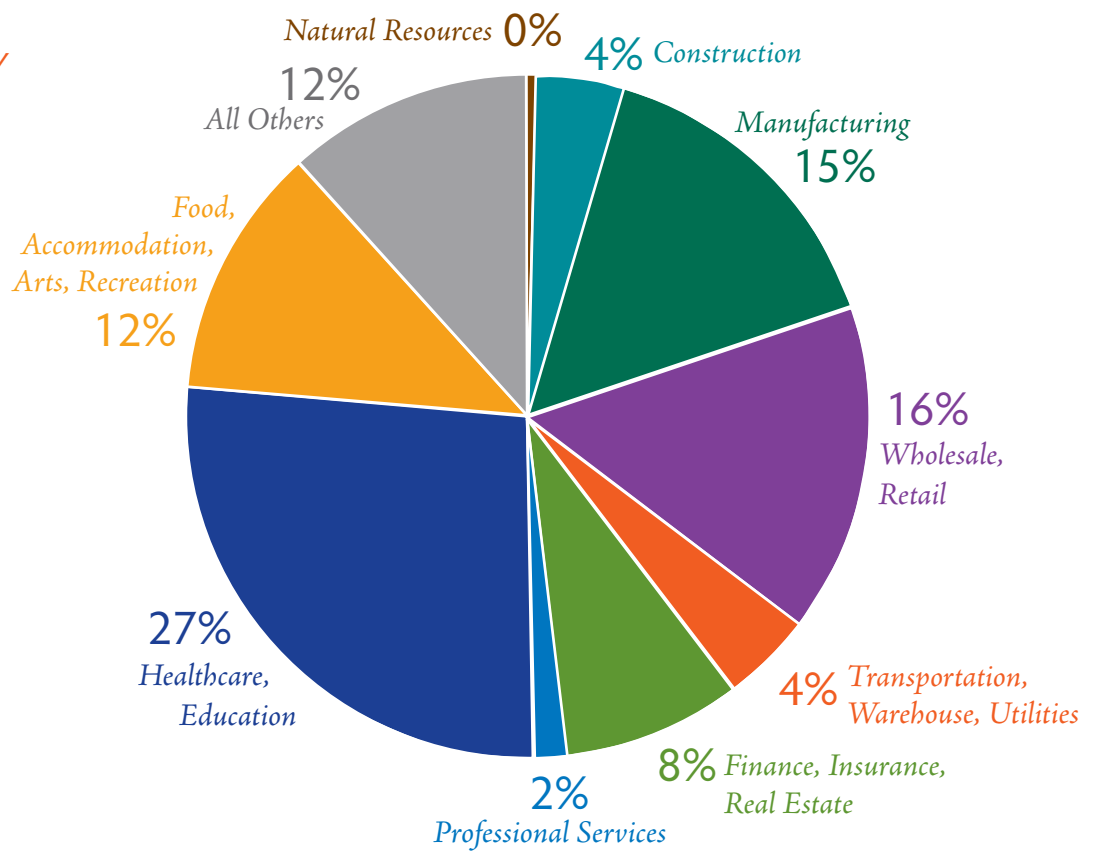
Source: Customized data, WorkSource Oregon Metro East, 2009



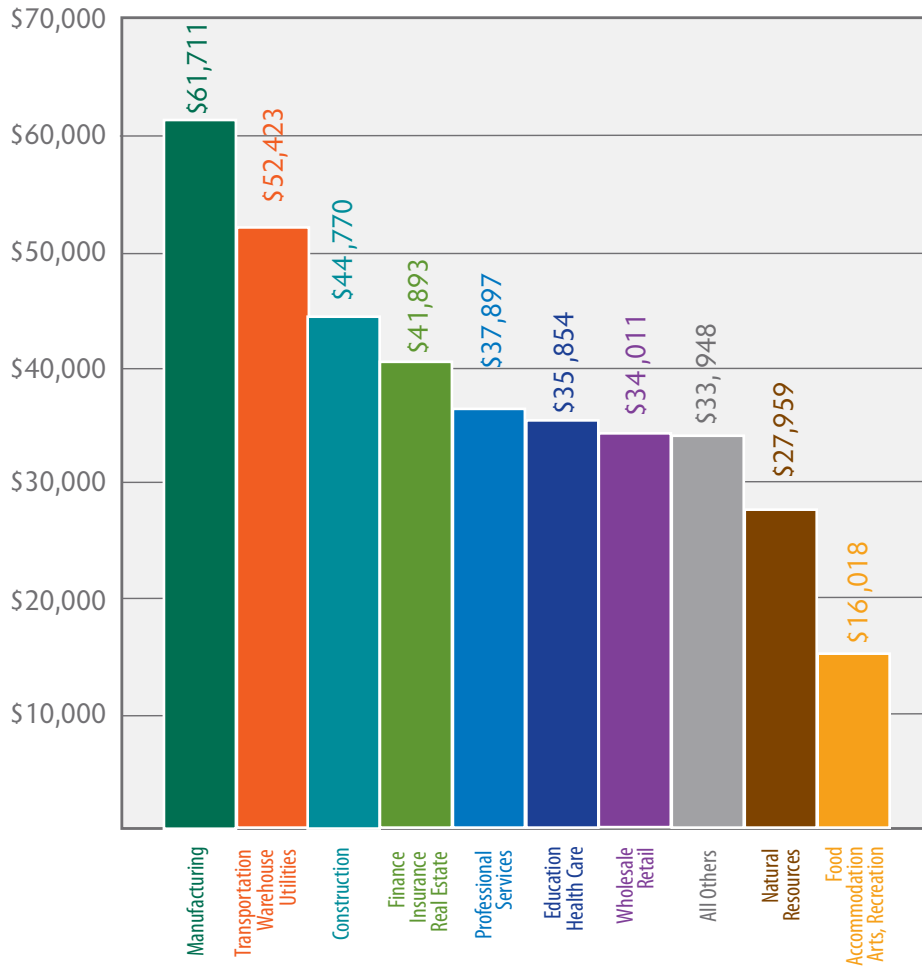
GRESHAM ESTABLISHMENTS BY SECTOR



GRESHAM EMPLOYMENT BY SECTOR



GRESHAM WAGES BY SECTOR



The data in these three charts represents the number of companies, number of employees and average wages by sector in Gresham.

Source: 2009 QCEW, Worksource Oregon



TRADED SECTOR JOBS ARE IMPORTANT

PROPORTION OF LOCAL, SERVICE SECTOR AND TRADED SECTOR JOBS

Gresham's economy is made up of a variety of Local, Service Sector and Traded Sector jobs. With the exception of tourism and some larger firms, local and service sector firms primarily serve the local economy, keeping dollars circulating in Gresham and the regional community. Traded sector firms bring new wealth into the community.

Local and Service Sector jobs support Traded Sector jobs, providing services to the families of people employed in the Traded Sector jobs.

LOCAL JOBS

2007		2009
\$20,000	per year	\$21,761
530	companies	503
8,700	employees	7,388

Retail
Food Service
Accommodation

SERVICE SECTOR JOBS

2007		2009
\$37,000	per year	\$38,469
1,700	companies	1,640
21,000	employees	17,734

Construction
Health Care
Finance
Insurance
Real Estate

Traded Sector jobs provide the community a strong base. In Gresham, these jobs pay a higher-than-average wage and bring money from the outside into the community.

TRADED SECTOR JOBS

2007		2009
\$48,000	per year	\$58,189
265	companies	267
8,600	employees	7,836

Manufacturing
Transportation
Warehousing
Distribution

Note: Some companies do not fall into one category; this is an approximate grouping of the data into three categories for the purposes of illustration

CITY OF GRESHAM
ECONOMIC DEVELOPMENT SERVICES

WWW.GRESHAMOREGON.GOV/WORK/